

INFORMATION BULLETIN

Eligibility for a Retirement Annuity

February 2005

Overview

To qualify for a monthly retirement annuity from TRS, a member must terminate active service and meet specific age and service requirements. Annuitants are allowed to work as long as they comply with the requirements outlined in this bulletin.

Termination of service

The Illinois Pension Code requires that a member terminate active service as a teacher to be eligible for a retirement annuity from TRS. To establish termination of service, two conditions must be met. First, a member must formally resign from his or her teaching position. Second, he or she must wait 30 calendar days from the date of resignation before performing any post-retirement teaching for the same employer. The 30 calendar day wait period does not apply if the post-retirement teaching is for another employer.

A member may not arrange post-retirement employment prior to the effective date of retirement.

After establishing termination of service, a member may not return to post-retirement teaching in the same school year they last contributed to TRS.

Post-retirement employment limitations

While annuitants are receiving retirement benefits, certain restrictions apply regarding from whom they may accept employment, the types of positions in which they may be employed, and the number of days and hours they may work.

Employment limitations

An annuitant may be employed by any college, university, or private school without limitation. In addition, an annuitant may be employed by a school district in a position not covered by TRS without limitation. For example, an annuitant may be employed as a bus driver for any number of days or hours.

Following retirement, annuitants may not resume employment in a TRS-covered position, including substitute and summer school teaching, in the same school year in which they last contributed to TRS. The school year is July 1 through June 30. Therefore, a member who retires during the school year may teach summer school following retirement only if the first day of service is after June 30.

120 days/600 hours limitation

Following the school year in which a member last contributed to TRS, an annuitant may be employed in a TRS-covered position for up to 120 paid days or 600 paid hours per school year and still receive a retirement annuity. **The increase to 120 days from 100 days and 600 hours from 500 hours is effective for a five-year window from July 1, 2001 through June 30, 2006.**

Only work that requires teacher certification, including summer school teaching, is subject to the 120 days or 600 hours post-retirement employment limitation. Any questions about whether a position requires certification should be directed to the Illinois State Board of Education.

All time that a teacher or administrator is required to be present for certificated duties is subject to the limitation. For teachers, this includes preparation periods and time before, between, and after classes. For administrators,

this includes all time that is required to be spent on administrative duties, such as attendance at board meetings and contract negotiations. Extra duties that do not require teacher certification (e.g., coaching, lunchroom supervision, chaperoning) are not subject to the post-retirement employment limitations.

Exceeding the limitations

If an annuitant exceeds the post-retirement employment limitations after retiring for one complete school year:

- TRS must be notified,
- the retirement annuity will be suspended,
- the annuitant will re-enter active membership, and
- the annuitant's employer must remit TRS contributions on all creditable earnings after the employment limitations are exceeded.

An annuitant who resumes TRS-covered employment in the same school year that he or she last contributed to TRS must repay all annuity payments received from the date of retirement. Annuity payments must also be repaid by an annuitant who does not remain in retirement one complete school year.

Special circumstances

Annuitants who retire under the Illinois Retirement Systems Reciprocal Act must adhere to the post-retirement limitations of each system under which they retire. Therefore, annuitants retiring under this act should contact each applicable reciprocal system regarding the employment limitations that may apply to them.

Special consequences apply to annuitants if their annuity is suspended or canceled following a retirement under an early retirement incentive plan. Early Retirement Incentive (ERI or 5&5) and Early Retirement Option (ERO) contributions are not refundable. The employer remains responsible for the full employer contribution. **All enhanced age and service credit are forfeited and may not be used again at retirement.**

Annuitants who retired under the Public School Teachers' Pension and Retirement Fund of Chicago are allowed to work in a TRS-covered position for 120 days or 600 hours each school year. However, if the 120-days/600-hours limitation is exceeded, the annuitant must contribute to TRS.

Age and service requirements

To be eligible for a retirement annuity, one of the following age and service credit requirements must be met:

Years of Service	Age
5	62
10	60
20	55
	<i>(discounted annuity or Early Retirement Option)</i>
35	55*

* *Annuitants who are eligible to receive a retirement annuity of at least 74.6 percent of the final average salary and will reach age 55 between July 1 and December 31 are considered to have attained age 55 on the preceding June 1.*